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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 27 February 2017 from the Permanent Mission of Italy to the United Nations addressed to the Chair of the Committee

The Permanent Mission of Italy to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and, in accordance with paragraph 36 of Security Council resolution 2321 (2016), has the honour to submit to the Committee the national report of Italy on the implementation of Security Council resolution 2321 (2016) (see annex).

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Annex to the note verbale dated 27 February 2017 from the Permanent Mission of Italy to the United Nations addressed to the Chair of the Committee

Report of Italy on the implementation of Security Council resolution 2321 (2016)

Resolution 2321 (2016) of 30 November 2016 substantially strengthened the sanctions regime against the Democratic People's Republic of Korea by introducing new specific provisions and by clarifying, expanding and strengthening the scope of the existing sanctions to further curtail the capability of that country to pursue prohibited programmes and activities.

In paragraph 36 of resolution 2321 (2016), the Security Council called upon all Member States "to report to the Security Council within 90 days of the adoption of this resolution, and thereafter upon request by the Committee, on concrete measures they have taken in order to implement effectively the provisions of this resolution, requests the Panel of Experts established pursuant to resolution 1874 (2009), in cooperation with other United Nations sanctions monitoring groups, to continue its efforts to assist Member States in preparing and submitting such reports in a timely manner".

In the light of its task as chair of the Security Council Committee established pursuant to resolution 1718 (2006), Italy is particularly committed to fulfilling its responsibilities under Council resolutions on the Democratic People's Republic of Korea to facilitate the achievement of a peaceful and comprehensive solution. In this regard, Italy promotes and supports the full implementation of sanctions adopted by the Council.

Italy firmly condemns the continued development by the Democratic People's Republic of Korea of nuclear and ballistic missile programmes. In 2016, the Ministry of Foreign Affairs of Italy released six public statements condemning the repeated nuclear and ballistic tests by the Democratic People's Republic of Korea. On 12 February 2017, the Ministry released another public statement expressing great concern over the news of the latest ballistic missile launched by that country.

Measures taken to implement sanctions under resolution 2321 (2016)

Italy and the other member States of the European Union have jointly implemented the restrictive measures against Democratic People's Republic of Korea imposed by the Security Council in its resolution 2321 (2016) by taking the following common measures:[1]

- Council of the European Union Decision (CFSP) 2016/2217 of 8 December 2016[2] amending Decision (CFSP) 2016/849, and European Commission Implementing Regulation (EU) 2016/2215 of 8 December 2016[3] amending

[1] All common measures are published in the *Official Journal of the European Union*, which is available from http://eur-lex.europa.eu/oj/direct-access.html.

[2] *Official Journal of the European Union L 334*, 9 December 2016.

[3] Ibid.

Council Regulation (EC) No. 329/2007, implementing the designation of additional persons and entities (travel ban and asset freeze) provided by resolution 2321 (2016)

- The relevant Council of the European Union Decision (CFSP) amending Decision 2016/849/CFSP, and Council Regulation (EU) amending Council Regulation (EC) No. 329/2007, giving effect to all the other restrictive measures contained in Security Council resolution 2321 (2016), adopted by the Council of the European Union on 27 February 2017, in addition to those transposed by the Council decision adopted on 8 December 2016. These legal acts shall enter into force on the day of their publication in the *Official Journal of the European Union*.

The above-mentioned Council Regulations are binding in their entirety and directly applicable in Italy as a European Union member State.

Arms embargo

Italy has the following national legislation in force prohibiting the sale, supply, transfer or export of arms and related materiel to third countries and the provision of brokering services and other services related to military activities which, together with Council decision (CFSP) 2016/849, provides the basis for enforcement of the arms embargo against the Democratic People's Republic of Korea and the ban on related brokering services: Law 185/1990, as modified by Legislative Decree 105/2012, concerning controls on import, export and transfer of arms and related materials.

In particular, article 1, paragraph 6 (c), of the above-mentioned Law forbids the supply of arms to countries on which a mandatory United Nations embargo is imposed (which is the case for the Democratic People's Republic of Korea). The provisions stemming from Law 185/1990 cover procurement activities, too.

With reference to the restrictions on arms, related materiel, technical assistance and services set out in resolution 2321 (2016) and in previous resolutions, the Armaments Export Licensing Unit of Italy has informed the Ministry of Foreign Affairs of Italy that to date no requests or import or export demands involving the Democratic People's Republic of Korea have been received, apart from a contractual licensing request by an Italian company dated 23 July 2001, which had a negative outcome.

Asset freeze and other financial measures

With reference to financial measures contained in resolution 2321 (2016), Italy — through its central bank and its financial intelligence unit — exercises enhanced vigilance in order to prevent the provision of financial services or the transfer of any financial assets that could contribute to prohibited programmes or activities of the Democratic People's Republic of Korea. In consideration of the Financial Action Task Force's "blacklist" of non-equivalent anti-money laundering/combating the financing of terrorism legislation, the Bank of Italy issues recommendations to the banking system, requesting the supervised entities to pay specific attention to relations with clients connected with high-risk jurisdictions, including the Democratic People's Republic of Korea. To date, no Democratic People's Republic of Korea banks have applied

for the authorization to open a branch or a subsidiary or a representative office in Italy, and vice versa.

The Financial Security Committee has informed the Ministry of Foreign Affairs that so far no assets and financial resources belonging to persons or entities listed in accordance with the aforementioned Security Council resolutions have been frozen in Italy.

Embargoed goods, items and technical assistance

With regard to restrictions provided under Security Council resolution 2321 (2016) on materials, equipment, technology or goods, the competent authorities of Italy continue to perform enhanced vigilance on bilateral import and export flows with the Democratic People's Republic of Korea, although the above-mentioned flows are very limited in terms of both volume and value.

Italy wishes to inform the Committee of an attempted violation of the restrictive measures imposed in relevant Security Council resolutions. Pursuant to relevant Council resolutions, on 22 November 2016 the competent authority of Italy prevented the transfer by an Italian national to the Democratic People's Republic of Korea of the following items, considered as luxury goods under the terms of United Nations and European Union legislation: "n. 7 swimming fins 'MARES' — V.D. 95062900" (value €359.20). The aforementioned items were seized and an administrative fine was imposed on the Italian national (representing an Italian entity) who had attempted to transfer them to Democratic People's Republic of Korea.

Travel restrictions

The travel restrictions set out in the above-mentioned resolution are automatically implemented by Italy by uploading the relevant list into the national Visa Information System. According to article 32 of the Visa Code (Regulation (EC) No. 810/2009), a visa is refused, among other reasons, if the applicant "is considered to be a threat to public policy, internal security or public health [...] in particular where an alert has been issued in Member States' national databases".

Concerning the 11 additional persons listed in resolution 2321 (2016), no visa requests have been submitted to the competent authority of Italy.

Diplomatic restrictions

Concerning the implementation of the restrictions on diplomatic missions of the Democratic People's Republic of Korea, the Ministry of Foreign Affairs of Italy would like to inform the Committee that the Italian financial intelligence unit is committed to performing enhanced vigilance measures on bank account movements related to diplomatic staff of the Democratic People's Republic of Korea who are accredited in Rome. On a precautionary basis, similar enhanced vigilance measures are also taken towards family members of the above-mentioned diplomatic staff.

In compliance with paragraph 14 of Security Council resolution 2321 (2016), in which the Council called upon "all Member States to reduce the number of staff at Democratic People's Republic of Korea diplomatic missions and consular posts",

Italy would like to provide the following information: regarding the diplomatic accreditation of a new third secretary of the diplomatic mission of the Democratic People's Republic of Korea in Rome, in replacement of the counsellor for political affairs and the current chargé d'affaires, the process has been on hold since December 2016.

Specialized teaching or training

In order to promote compliance with the enhanced ban on specialized teaching or training in sensitive matters introduced by resolution 2321 (2016), the Ministry of Foreign Affairs of Italy notified the competent ministry of Italy for universities and the main international training institutes and research centres based in Trieste, Italy, namely, the World Academy of Sciences, the International Centre for Theoretical Physics and the International School for Advanced Studies, of the new restrictive measures in force.

In this regard, Italy would like to provide the following information:

- The World Academy of Sciences has never organized specialized teaching or training on sensitive matters with nationals of the Democratic People's Republic of Korea. No cases of non-compliance have been reported
- The International School for Advanced Studies has provided information that, according to Security Council resolution 2270 (2016), four students from the Democratic People's Republic of Korea enrolled in the joint International School for Advanced Studies-International Centre for Theoretical Physics PhD programme have been moved to non-sensitive fields (mathematics, neurosciences and genomics). The International School for Advanced Studies indicated that no other cooperation with nationals or organizations of the Democratic People's Republic of Korea is currently in progress. No cases of non-compliance have been reported
- The International Centre for Theoretical Physics responded to all previous Security Council resolutions by agreeing with the International School for Advanced Studies to move the above-mentioned four students from the Democratic People's Republic of Korea to non-sensitive fields. A fifth national of the Democratic People's Republic of Korea currently at the Centre is an independent researcher doing research in the field of string theory and mathematical physics and is not receiving teaching or training. Resolution 2321 (2016) expanded the list of research areas for which specialized teaching and training of nationals of the Democratic People's Republic of Korea is banned. The list also includes advanced materials science, advanced chemical engineering, advanced mechanical engineering, advanced electrical engineering and advanced industrial engineering. In this regard, the Centre has indicated that none of the nationals of the Democratic People's Republic of Korea mentioned above is studying or doing research in those areas. No cases of non-compliance have been reported.

Penalties

The above-mentioned Council Regulations are binding in their entirety and directly applicable in all member States of the European Union, including Italy. Regulation No. 329/2007 requires member States to determine the penalties applicable to infringement of their provisions. The penalties determined by Italy are set out in the following legislation:

- For the infringement of provisions concerning the sale, supply, transfer or export of arms and related materiel, several administrative and criminal penalties are imposed by Law 185/1990, as modified by LD 105/2012 (article 23 and following)
- According to LD 109/2007, article 13, competent national authorities can impose administrative fines on financial institutions or designated non-financial businesses and professions for any direct breach of asset freeze obligations. Penalties for such violations are commensurate with the value of the prohibited transaction and can vary from a minimum of half to a maximum of twice the overall value. If a financial institution or designated non-financial businesses or profession fails to notify the financial intelligence unit of information concerning the freezing of assets, administrative fines range from €500 to €25,000
- LD 96/2003, article 16, establishes both administrative and criminal penalties for the infringement of provisions on the import and export of dual-use goods.